

city of **NEWPORT BEACH**



**benefits**

**Active Employees  
Information Guide For  
Plan Year 2014**



## **YOUR HEALTH CARE BENEFITS**

The City of Newport Beach is proud to provide our employees with a competitive benefits package which includes: medical, dental, vision, life, flexible spending accounts (FSAs), an employee assistance program (EAP), short and long-term disability and supplemental voluntary life insurance. For plan year 2014 CalPERS will be offering additional HMO plans and the City will continue to offer Delta Dental and SafeGuard Vision.

### **Dependents that are Eligible for Benefits**

Dependents are covered to age 26 on all medical, dental and vision plans regardless of their student status or economic dependence.

## **Medical**

### **HMO (Health Maintenance Organization)**

An HMO is a medical plan that requires you to receive all of your care from within a network of participating physicians, hospitals, and other health care providers. In order to be covered for benefits, or be referred to a specialist, you must access medical care through your primary care physician (PCP). To find a PCP near you, call the health plan, refer to its provider directory, or visit its website. HMOs currently offered are:

- Anthem Blue Cross Select HMO\*
- Anthem Blue Cross Traditional HMO\*
- CalPERS Blue Shield HMO
- CalPERS Blue Shield NetValue HMO
- Health Net Salud y Más HMO\*
- Health Net Smart Care\*
- CalPERS Kaiser Permanente HMO
- Sharp\* (available to San Diego County Residents only)
- UnitedHealthcare\*

\*New CalPERS plan for 2014

### **PPO (Preferred Provider Organization)**

A PPO is a medical plan that lets you choose between in-network providers who offer their services at discounted rates and out-of-network providers. You may see any in- or out-of-network provider; however, it costs you less if you see an in-network provider. Also, you do not need a referral to make an appointment to see a specialist. The following PPOs are currently offered through CalPERS and are administered by Blue Cross:

- PERS Choice
- PERS Select
- PERSCare
- PORAC (PORAC dues paying members only)

Plan information and details can be obtained by contacting CalPERS at 888-225-7377 or at [www.calpers.ca.gov](http://www.calpers.ca.gov).

### **Prescription Benefit Basics:**

Effective January 1, 2014, CVS Caremark will administer the pharmacy benefit for:

- Anthem Blue Cross - HMO & PPO (excluding PORAC)
  - Health Net - HMO
  - UnitedHealthcare - HMO
- Maintenance Choice Program - allows members to pick up a 90-day supply of medication directly from a CVS pharmacy at a time convenient to them. Members will pay their typical mail order co-pay for a prescription on the same day and be able to talk face-to-face with a pharmacist.
- Members are able to save money by choosing "best choice" medications (generics and preferred brands) and 90-day supplies, where appropriate, in the iBenefit personalized mailing program.

## **Dental**

### **DHMO (Dental Health Maintenance Organization)**

When you enroll in a DHMO dental plan, you must select a dental office from the plan's provider directory. After you select your dental office, this office becomes your "primary care office" and you will go to this office for all of your dental care services. If you do not obtain dental care services from this office, you will not be covered. If your primary care office is unavailable during an emergency, call the dental plan and ask for a referral. You pay no deductible or co-payment for preventive services under a DHMO dental plan. For most other services, you must pay a copayment or predetermined fee. There is no annual maximum dollar limit on DHMO dental benefits. The following DHMO plan is currently offered:

- **Delta HMO Dental**

### **PPO (Preferred Provider Organization)**

A PPO dental plan allows you to choose care from in-network or out-of-network providers. When you obtain care from in-network providers, the plan pays higher benefits and your out-of-pocket costs are lower. **In-Network**—When you receive care from an in-network dentist, you pay no deductible. Delta Dental will pay benefits based on fees that have been agreed upon by Delta Dental and its participating dentists. The costs of most routine services are 100% covered. **Out-Of-Network**—When you receive care from an out-of-network dentist, you pay a \$50 deductible, with a \$150 maximum per family. The plan pays benefits according to what is considered reasonable and customary (R&C) for the service and area. Since Delta Dental and out-of-network dentists have not agreed upon fees, the dentist may charge more and your out-of-pocket costs could be higher. The following PPO dental plan is offered:

- **Delta PPO Dental**

For information about services covered under the dental plan options, refer to the *Dental Plans Comparison Chart*.

## **Vision**

You have the option of obtaining vision care services through the SafeGuard PPO Vision plan. SafeGuard Vision offers coverage for exams, glasses, contact lenses and related vision services through its network of preferred providers. SafeGuard Vision also provides limited coverage for some services received by out-of-network providers. Refer to the Vision Summary chart for a list of covered services.

### **Flexible Spending Accounts (FSA)**

FSAs enable you to set aside pre-tax dollars to cover qualified expenses that you would normally pay out of your pocket with after-tax dollars. You pay no federal income, state income, or Social Security taxes on the money that you set aside in an FSA. Therefore, your take-home pay increases.

- **Health Care Flexible Spending Account**

When you "open" an HCFSAs, you tell the City to put part of your pay into an account on a pre-tax basis. This is your tax-free money to use for eligible health care expenses for you and your family, even if you or your dependents are not enrolled in the City's medical, dental, and/or vision plans. Eligible health care expenses are those that are not covered by other medical, dental, or vision plans. Examples include:

- Medical and dental deductibles, coinsurance, and copayments
- Medicines/Prescriptions
- Vision care—including prescription glasses, contact lenses, and laser eye surgery
- **Note: You may contribute a minimum of \$130, up to a maximum of \$2,500 per year.**

- **Dependent Care Flexible Spending Account (DCFSA)**

The DCFSA allows you to set aside pre-tax dollars for certain eligible dependent care expenses. You may contribute a minimum of \$1,000, up to a maximum of \$5,000 per year to your DCFSA.

- **Please note that a Flex Card debit card is available.**

In 2013, FSA participants were issued Benny Cards with a 3 year expiration date. Therefore, only employees participating for the first time will receive a card. A second card is available free of charge by contacting Employee Benefit Services (EBS). Additional and replacement cards are \$10.00 per card. The cards are an option to use but not required. You will still have the option to complete claim forms manually and can have your reimbursement sent to you by check or direct deposit. When the Flex Card is used, the funds are pulled instantly from your FSA account without having to use cash or credit cards, filing a claim, and having to wait for the reimbursement. This does not eliminate your responsibility to keep the purchase receipt. **It is an IRS requirement that all receipts for items purchased with the Flex Card are saved. The IRS, as well as EBS, can ask for substantiation at any time, and therefore receipts will be required as proof of an eligible purchase. EBS would ask for substantiation within 30 days, but the IRS can ask for those receipts in an audit. The**

cards are accepted at doctor's offices, select stores, pharmacies and daycares where VISA and MasterCard are accepted. The cards are activated the first time they are used. Personal identification numbers are not required to use the card. If the cashier asks for a PIN, then the card can be run through as "credit".

### **Life Insurance Beneficiary**

Now is a good time to update your life insurance beneficiary form. With the many changes that go on in our everyday lives, it's easy to forget to update this important information. Stop by or call HR to get a new beneficiary form for completion.

### **Q&As: Important information**

**Q: *What should I know about the City's Opt-Out program?***

**A:** If you provide proof of other group medical insurance coverage, you are eligible to waive coverage under the City of Newport Beach group health insurance plan and receive the taxable cafeteria allowance each payday. **Whether or not you have waived coverage in previous years, it is necessary for you to provide supporting documentation each Open Enrollment period. Employees who do not elect a medical plan with the City or provide proof of other group coverage will be enrolled in the lowest cost single coverage plan effective January 1, 2014.**

**Q: *What happens if I acquire or lose dependents after I enroll in the City's Health Benefits Program?***

**A:** Employees must contact Human Resources within **60 days of an event**, such as a marriage, birth, adoption, divorce, or death to make changes to their health plans (additions or deletions). Coverage will be effective the 1<sup>st</sup> day of the month following the qualifying event. Forms must be completed and filed with the various insurance carriers to accomplish the change. If you do not complete and return these forms to Human Resources within 60 days of the qualifying event date, your dependents will not be eligible for enrollment until the next Open Enrollment period.

**Q: *What are my options regarding changes in coverage under my spouse's group plan?***

**A:** If you currently opt-out of the City's coverage and your spouse loses his or her coverage, due to a qualifying event (i.e. loss of job), you may enroll in one of the City's plans, but you **must** complete and return the appropriate forms to Human Resources **within 60 days** of the loss of coverage. If you are enrolled in one of the City's plans and you wish to enroll in your spouse's group plan due to a qualifying event (i.e. marriage, new coverage available) you may opt-out of the City's plan by providing valid proof of other group medical insurance coverage and you **must** complete and return the appropriate forms to Human Resources **within 60 days** of the date of the qualifying event or effective date of new coverage.

**Q: *I am planning on retiring. What is the City's retiree health benefit program?***

**A:** The City has a Retirement Health Saving Program (RHS). If an employee is opting out of coverage and retires from the City, they have 120 days to elect enrollment in health, dental and/or vision coverage. Retirees can change plans or continue the same coverage during each

Open Enrollment period. Failure to elect any City plan (dental or vision) within 120 days from your retirement date will render you permanently ineligible from the dental and vision plans. You may, however, enroll in any CalPERS plan at during the next Open Enrollment period.

If an employee is opting out of coverage, you can choose a CalPERS medical plan at the time of your retirement, as long as you meet the following CalPERS requirements:

- If you have between 30 and 120 days between your separation date and your retirement date, you may re-enroll within 60 days of your retirement date or during Open Enrollment.
- If you separate from City employment and do not retire within 120 days into the CalPERS retirement system, you are **not** eligible for medical coverage through CalPERS at any future date.

Employees that were eligible and elected the Hybrid option of the RHS program, will receive a monthly \$400 contribution (minus the PERS mandatory employer contribution if applicable) into their RHS account whether they are enrolled in a City-sponsored plan or not.

**Q: *What is HIPAA and how does it affect me?***

**A:** The Health Insurance Portability & Accountability Act (HIPAA) regulations in regards to protected health information (PHI) went into effect April 2004. These regulations affect how your personal health information can be utilized and who can access it. These rules limit the City's ability to assist in your claim issues (i.e. disputes, billing, complaints, etc.). Employees must contact their insurance carriers directly for all claim issues or complete an authorization form. This form can be obtained from Human Resources.

**Q: *Can I purchase my own coverage from the Health Insurance Marketplace under the Affordable Care Act?***

**A:** Employees who purchase plans from the Health Insurance Marketplace will **not** receive a cafeteria or medical allowance from the City per IRS regulations.

## BENEFITS CONTACT INFORMATION

	Phone Number	Web Site
<b>PERS MEDICAL PLANS</b>		
Anthem Blue Cross Select HMO/Anthem Blue Cross Traditional HMO	Member Services: 855-839-4524	<a href="http://www.anthem.com/ca/calpers/hmo">www.anthem.com/ca/calpers/hmo</a>
Blue Shield HMO/ Blue Shield Net Value	Member Services: 800-334-5847 Rx: 800-334-5847 Mail Order - nextRx: 800-293-2202	<a href="http://www.blueshieldca.com">www.blueshieldca.com</a>
Health Net Salud y Más HMO/Health Net SmartCare HMO	Member Services: 888-926-4921	<a href="http://www.healthnet.com/calpers">www.healthnet.com/calpers</a>
Kaiser Permanente HMO	Member Services: 800-464-4000	<a href="http://www.kp.org/calpers">www.kp.org/calpers</a>
PERSCare PPO PERS Choice PPO PERS Select PPO	Member Services: 877-737-7776 Rx - CVS Caremark: 800-542-0284	<a href="http://www.anthem.com/ca/calpers">www.anthem.com/ca/calpers</a> <a href="http://www.caremark.com/calpers">www.caremark.com/calpers</a>
PORAC PPO/Indemnity	Member Services: 800-937-6722	<a href="http://www.porac.org">www.porac.org</a>
Sharp HMO	Member Services: 855-995-5004	<a href="http://www.sharphealthplan.com/calpers">www.sharphealthplan.com/calpers</a>
UnitedHealthcare HMO	Member Services: 877-359-3714	<a href="http://www.uhc.com/calpers">www.uhc.com/calpers</a>
<b>DENTAL &amp; VISION PLANS</b>		
SafeGuard Vision	Member Services: 800-880-1800	<a href="http://www.safeguard.net">www.safeguard.net</a>
Delta HMO Dental	Member Services: 800-422-4234	<a href="http://www.deltadental.com">www.deltadental.com</a>
Delta PPO Dental	Member Services: 800-765-6003	<a href="http://www.deltadental.com">www.deltadental.com</a>
<b>DEPENDENT CARE/FLEXIBLE SPENDING ACCOUNTS (DCA/FSA)</b>		
EBS (Employee Benefit Specialists)	Automated Voice System: 800-EBS-FLEX Fax: 925-460-3929	<a href="http://www.ebsbenefits.com">www.ebsbenefits.com</a>
<b>RETIREMENT HEALTH SAVINGS (RHS)</b>		
ICMA-RC	RHS: 800-669-7400	<a href="http://www.icmarc.org">www.icmarc.org</a>